

10 CSR 10-6.350 Emissions Limitations and Emissions Trading of Oxides of Nitrogen

(1) Applicability.

- (A) This rule applies to any fossil fuel-fired electric generating unit that serves a generator with a nameplate capacity of greater than twenty-five megawatts (25MW).
- (B) Exemptions.
 - 1. Any unit under subsection (1)(A) of this rule which demonstrates, using 40 CFR part 75.19, that the unit's mass NOx emissions are twenty-five (25) tons or less during the control period is exempt from the requirements of this rule.
 - 2. The provisions of section (3) of this rule shall not apply to any emergency standby generators, internal combustion engines and peaking combustion turbine units demonstrated to operate less than four hundred (400) hours per control period averaged over the three (3) most recent years of operation, which have installed and maintained in proper operation a nonresettable engine hour meter.
- (C) Loss of Exemption. If the exemption limit in paragraph (1)(B)1. or (1)(B)2. is exceeded, the exemption shall be automatically and permanently withdrawn. The owner or operator must notify the department director within thirty (30) days if an exemption limit is exceeded.

(2) Definitions.

- (A) Definitions of certain terms in this rule, other than those specified in this rule section, may be found in 10 CSR 10-6.020.
- (B) Account certificate of representation-The completed and signed submission for certifying the designation of a NOx authorized account representative for an affected unit or a group of identified affected units who is authorized to represent the owners or operators of such unit or units and of the affected units at such source or sources with regard to matters under the NOx trading program.
- (C) Account number-The identification number given to each

10 CSR 10-6.350

NOx trading program account.

- (D) Automated data acquisition and handling system-That component of the Continuous Emissions Monitoring System, or other emissions monitoring system approved for use by the department, designed to interpret and convert individual output signals from pollutant concentration monitors, and other component parts of the monitoring system to produce a continuous record of the measured parameters in the measurement units required in this rule.
- (E) Average emission rate-The simple average of the hourly NOx emission rate as recorded by monitoring systems approved in section (5) of this rule.
- (F) Boiler-An enclosed fossil or other fuel-fired combustion device used to produce heat and to transfer heat to recirculating water, steam, or other medium.
- (G) Combined cycle system-A system comprised of one or more combustion turbines, heat recovery steam generators, and steam turbines configured to improve overall efficiency of electricity generation or steam production.
- (H) Combustion turbine-An enclosed fossil or other fuel-fired device that is comprised of a compressor, a combustor, and a turbine, and in which the flue gas resulting from the combustion of fuel in the combustor passes through the turbine, rotating the turbine.
- (I) Common stack-A single flue through which emissions from two or more NOx units are exhausted.
- (J) Compliance account-A NOx allowance tracking system account, established for an affected unit, in which the NOx allowance allocations for the unit are initially recorded and in which are held NOx allowances available for use by the unit for a control period for the purpose of meeting the unit's NOx emission limitation.
- (K) Continuous emissions monitoring system (CEMS)-The equipment required by this rule to sample, analyze,

10 CSR 10-6.350

measure, and provide, by readings taken at least once every fifteen (15) minutes of the measured parameters, a permanent record of NOx emissions, expressed in tons per hour for NOx.

- (L) Control period-The period beginning May 1 of a calendar year and ending on September 30 of the same calendar year.
- (M) Early reduction credit (ERC)-NOx emission reductions in the years 2000, 2001, and 2002 that are below those required for the control period starting in 2003. Early reduction credits will only be available for use during the years of 2003 and 2004.
- (N) Electric generating unit (EGU)-Any fossil fuel-fired boiler or turbine that serves an electrical generator with the potential to use more than fifty percent (50%) of the usable energy from the boiler or turbine to generate electricity.
- (O) Emergency standby generator-A generator operated only during times of loss of primary power at the facility that is beyond the control of the owner or operator of the facility or during routine maintenance.
- (P) Fossil fuel-Natural gas, petroleum, coal, or any form of solid, liquid or gaseous fuel derived from such material.
- (Q) Fossil fuel-fired-With regard to a unit, the combustion of fossil fuel, alone or in combination with any other fuel, where fossil fuel is projected to comprise more than fifty percent (50%) of the annual heat input.
- (R) Generator-A device that produces electricity.
- (S) Heat input-The product (expressed as million British thermal units per hour) of the gross calorific value of the fuel (expressed as British thermal units per pound) and the fuel feed rate into a combustion device (expressed as pounds per hour), as measured, recorded and reported to the department by the NOx authorized account representative and as determined by the director in accordance with this rule and does not

10 CSR 10-6.350

include the heat derived from preheated combustion air, recirculated flue gases, or exhaust from other sources.

- (T) Nameplate capacity-The maximum electrical generating output (expressed as megawatt) that a generator can sustain over a specified period of time when not restricted by seasonal or other deratings, as listed in the National Allowance Data Base (NADB) under the data field "NAMECAP" if the generator is listed in the NADB or as measured in accordance with the United States Department of Energy standards. For generators not listed in the NADB, the nameplate capacity shall be used.
- (U) NOx allowance-An authorization by the department under the NOx trading program to emit one (1) ton of NOx during the control period of the specified year or of any year thereafter.
- (V) NOx allowance tracking system-The system by which the director records allocations, deductions and transfers of NOx allowances under the NOx trading program.
- (W) NOx allowance transfer deadline-Close of business on December 31 following the control period or, if December 31 is not a business day, close of business on the first business day thereafter and is the deadline by which NOx allowances may be submitted for recording in an affected unit's compliance account, or the overdraft account of the installation where the unit is located.
- (X) NOx authorized account representative-The person who is authorized by the owners or operators of the unit to represent and legally bind each owner and operator in matters pertaining to the NOx trading program.
- (Y) NOx emissions limitation-For an affected unit, the tonnage equivalent of the NOx emissions rate available for compliance deduction for the unit and for a control period adjusted by any deductions of such NOx allowances to account for actual utilization for the control period or to an account for excess emissions for a prior control period or to account for withdrawal from the NOx trading program or for a change in

10 CSR 10-6.350

regulatory status for an affected unit.

- (Z) NOx emission rate-The amount of NOx emitted by a combustion unit in pounds per million British thermal units of heat input as recorded by monitoring devices approved in section (5) of this rule.
- (AA) NOx opt-in unit-An EGU whose owner or operator has requested to become an affected unit under the NOx trading program and has been approved by the department.
- (BB) NOx unit-Any fossil fuel-fired stationary boiler, combustion turbine, internal combustion engine or combined cycle system.
- (CC) Opt-in-To voluntarily become an affected unit under the NOx trading program.
- (DD) Overdraft account-The NOx allowance tracking system account established by the director for each NOx authorized account representative with two or more affected units.
- (EE) Peaking combustion unit-A combustion turbine normally reserved for operation during the hours of highest daily, weekly, or seasonal loads.
- (FF) Serial number-When referring to NOx allowances, the unique identification number assigned to each NOx allowance.
- (GG) Unit load-The total output of a unit in any control period produced by combusting a given heat input of fuel expressed in terms of the total electrical generation (expressed as megawatt) produced by the unit including generation for use within the plant, and/or in the case of a unit that uses heat input for purposes other than electrical generation, the total steam flow (lb/hr) produced by the unit, including steam for use by the unit.
- (HH) Unit operating day-A calendar day in which a unit combusts any fuel.

10 CSR 10-6.350

(II) Unit operating hour or hour of unit operation-Any hour or fraction of an hour during which a unit combusts fuel.

(JJ) Utilization-The heat input (expressed as million British thermal units per hour) for a unit.

(3) General Provisions.

(A) NOx Emissions Limitations. Beginning May 1, 2003, the following NOx emission rates shall apply:

1. EGUs located in the City of St. Louis and the counties of Bollinger, Butler, Cape Girardeau, Carter, Clark, Crawford, Dent, Dunklin, Franklin, Gasconade, Iron, Jefferson, Lewis, Lincoln, Madison, Marion, Mississippi, Montgomery, New Madrid, Oregon, Pemiscot, Perry, Phelps, Pike, Ralls, Reynolds, Ripley, St. Charles, St. Francois, St. Louis, Ste. Genevieve, Scott, Shannon, Stoddard, Warren, Washington and Wayne, shall limit emissions of NOx to the more stringent of a rate of 0.25 lbs. NOx/million British thermal units per hour (mmBtu) of heat input during the control period or any applicable permitted NOx limitation under 10 CSR 10-6.060.
2. EGUs located in any county not identified in paragraph (3)(A)1. of this rule shall limit emissions of NOx to the more stringent of a rate of 0.35 lbs. NOx/mmBtu of heat input during the control period or any applicable permitted NOx limitation under 10 CSR 10-6.060.
3. In lieu of complying with the applicable emission limitations in paragraph (3)(A)1. or (3)(A)2. of this rule, any affected unit may comply through the NOx emissions trading program under subsection (3)(B) of this rule.

(B) NOx Emissions Trading Program.

1. NOx authorized account representative. The NOx authorized account representative shall have the responsibilities and meet the requirements

identified in this subsection.

- A. Each affected unit shall have only one NOx authorized account representative with respect to all matters under the NOx trading program. Each affected unit may have only one alternate NOx authorized account representative who may act on behalf of the NOx authorized account representative.
- B. A NOx authorized account representative may be responsible for multiple units at an installation or within a system of installations with the same owner.
- C. The department will act on a valid submission made on behalf of owners or operators of an affected unit only if the submission has been made, signed and certified by the NOx authorized account representative or the alternate NOx authorized account representative.
- D. Each unit must submit an account certificate of representation no later than January 1, 2003 or December 31 of the year in which the rule becomes applicable for units installed after January 1, 2003.

2. NOx allowance tracking system.

- A. NOx allowance tracking system accounts. The department will establish one compliance account for each NOx unit and one overdraft account for each NOx authorized account representative with one or more NOx units. Allocations of NOx allowances pursuant to paragraphs (3)(B)3. or (3)(B)10. of this rule and deductions or transfers of NOx allowances pursuant to paragraphs (3)(B)3., (3)(B)7., (3)(B)9., or (3)(B)10. of this rule will be recorded in the compliance accounts or overdraft accounts.
- B. Establishment of accounts.

- (I) Compliance accounts and overdraft accounts. Upon receipt of a complete account certificate of representation, the department will establish-
 - (a) A compliance account for each affected NOx unit for which the account certificate of representation was submitted; and
 - (b) An overdraft account for each NOx authorized account representative for which the account certificate of representation was submitted.
- (II) Account identification. The department will assign a unique identifying number to each compliance account and each overdraft account.

C. Recording of NOx allowance allocations.

- (I) The department will record the NOx allowances for the 2003 control period in the NOx units' compliance accounts.
- (II) Serial numbers for allocated NOx allowances. The department will assign each NOx allowance a unique identification number that will include digits identifying the year for which the NOx allowance is allocated.

3. NOx allowances.

A. Projected NOx allowances.

- (I) By March 1, 2003, the NOx authorized account representative for each affected unit shall submit to the department a report containing the following:
 - (a) The projected control period NOx emission rate for each affected unit;

10 CSR 10-6.350

- (b) The average of the three (3) most recent control period heat inputs, unless those three (3) periods are not representative of normal operation; and
 - (c) A plan identifying the methodology for compliance with subsection (3)(A) of this rule.
- (II) The department will review each report and make any amendments within fifteen (15) working days.
- (III) The department will develop a summary of projected NO_x allowances on a unit by unit and statewide basis for distribution on or before May 1 of each year using Equation 1 of this rule.

Equation 1:

$$\frac{HI_p \times ER_p}{2000} = NO_x AL_p$$

where:

HI_p =the projected control period heat input for each NO_x unit;

ER_p =the projected control period emission rate for each NO_x unit; and

NO_xAL_p =the projected NO_x allowance for each NO_x unit (in tons).

B. Control period NO_x allowances.

- (I) By October 31 following each control period, each NO_x authorized account representative shall submit to the department the actual total control period heat input and actual average emission rate in a compliance report consistent with requirements of section (4) of this rule for each affected NO_x unit.
- (II) By November 15 following each control period,

the department will issue a notice to each NOx authorized account representative of the actual NOx allowances for each affected NOx unit using Equation 2 of this rule.

Equation 2:

$$\frac{HI_a \times ER_r}{2000} = NO_xAL_a$$

where:

HI_a =the actual control period heat input for each NOx unit;

ER_r =the allowable control period emission rate for each NO_x unit as determined in paragraph (3)(A)1. or (3)(A)2. of this rule; and

NO_xAL_a =the actual NO_x allowance for each unit for the control period (in tons).

4. Compliance. By the end of the NO_x allowance transfer deadline, each NO_x unit shall have sufficient NO_x allowances in their compliance account to allow for the deductions in subparagraph (3)(B)4.B. of this rule.
 - A. NO_x allowance transfer deadline. The NO_x allowances are available to be deducted for compliance with a unit's NO_x emissions limitation for a control period in a given year only if the NO_x allowances-
 - (I) Were allocated for a control period in a prior year or the same year; and
 - (II) Are held in the unit's compliance account or the unit's overdraft account as of the NO_x allowance transfer deadline for that control period.
 - B. Deductions for compliance.
 - (I) The director will deduct NO_x allowances to cover the unit's NO_x emissions for the

control period-

- (a) From the compliance account; and
 - (b) Only if no more NOx allowances available under subparagraph (3)(B)4.A. of this rule remain in the compliance account, from the overdraft account. In deducting allowances for units from the overdraft account, the director will begin with the unit having the compliance account with the lowest NOx Allowance Tracking System account number and end with the unit having the compliance account with the highest NOx Allowance Tracking System account number.
- (II) The director will deduct NOx allowances until the number of NOx allowances deducted for the control period equals the number of tons of NOx emissions, determined in accordance with part (3)(B)4.B.(III) of this rule, from the unit for the control period for which compliance is being determined; or until no more NOx allowances available under subparagraph (3)(B)4.A. of this rule remain in the respective account.
- (III) For a NOx unit that is allocated NOx allowances under part (3)(B)3.B.(II) of this rule for a control period, the department will deduct NOx allowances under subparagraph (3)(B)4.B. or (3)(B)4.E. of this rule to account for the actual utilization of the unit during the control period. The department will calculate the number of NOx allowances to be deducted to account for the unit's actual utilization using Equation 3 of this rule.

Equation 3:

$$\sum H_{Ia} \times E_{Ra} = NOxALd$$

where:

H_{Ia} =the actual control period heat input for each NOx unit;

E_{Ra} =the actual control period emission rate for each NOx unit; and

$NOxALd$ =the number of NOx allowances that will be deducted from each NOx unit's compliance account.

C. Identification of NOx allowances by serial number.

- (I) The department may identify by serial number the NOx allowances to be deducted from the unit's compliance account under subparagraph (3)(B)4.B., (3)(B)4.D., or (3)(B)4.E. of this rule. Such identification will be made in the compliance certification report submitted in accordance with paragraph (4)(A)1. of this rule.
- (II) First-in, first-out (FIFO). The director will deduct NOx allowances for a control period from the compliance account, in the absence of an identification or in the case of a partial identification of NOx allowances by serial number under part (3)(B)9.C.(I) of this rule, or the overdraft account on a FIFO accounting basis in the following order:
 - (a) Those NOx allowances that were allocated for the control period to the unit under part (3)(B)3.B.(II) of this rule;
 - (b) Those NOx allowances that were allocated for the control period to any unit and transferred and recorded in the account pursuant to

paragraphs (3)(B)7. and (3)(B)8. of this rule, in order of their date of recording;

(c) Those NOx allowances that were allocated for a prior control period to the unit under part (3)(B)3.B.(II) of this rule; and

(d) Those NOx allowances that were allocated for a prior control period to any unit and transferred and recorded in the account pursuant to paragraphs (3)(B)7. and (3)(B)8. of this rule, in order of their date of recording.

D. Deductions for units sharing a common stack. In the case of units sharing a common stack and having emissions that are not separately monitored or apportioned in accordance with section (4) of this rule-

(I) The NOx authorized account representative of the units shall identify the percentage of NOx allowances to be deducted from each such unit's compliance account to cover the unit's share of NOx emissions from the common stack for a control period. Such identification shall be made in the compliance certification report submitted in accordance with paragraph (4)(A)1. of this rule.

(II) Notwithstanding part (3)(B)4.B.(II) of this rule, the director will deduct NOx allowances for each unit until the number of NOx allowances deducted equals the unit's identified percentage (under part (3)(B)4.D.(I) of this rule) of the number of tons of NOx emissions, as determined in accordance with section (4) of this rule, from the common stack for the control period for which compliance is being determined or, if no percentage is identified, an equal percentage for each unit, plus the number of allowances required for deduction to account

for actual utilization under subparagraph (4)(A)1.G. of this rule for the control period.

- E. The director will record in the appropriate compliance account or overdraft account all deductions from such an account pursuant to subparagraphs (3)(B)4.B. and (3)(B)4.D. of this rule.

5. Banking.

- A. NOx allowances may be banked for future use or transfer into a compliance account or an overdraft account, as follows:

- (I) Any NOx allowance that is held in a compliance account or an overdraft account, will remain in such account until the NOx allowance is deducted or transferred under paragraphs (3)(B)4., (3)(B)5., (3)(B)6., or (3)(B)7. of this rule.
- (II) The director will designate, as a banked Nox allowance, any NOx allowance that remains in a compliance account or an overdraft account after the director has made all deductions for a given control period from the compliance account or overdraft account pursuant to paragraph (3)(B)4. of this rule.

- B. Each year, starting in 2004, after the director has completed the designation of banked NOx allowances under part (3)(B)5.A.(II) of this rule and before May 1 of the year, the department will determine the extent to which banked NOx allowances may be used for compliance in the control period for the current year, as follows:

- (I) The director will determine the total number of banked NOx allowances held in compliance accounts or overdraft accounts.
- (II) If the total number of banked NOx allowances determined, under part (3)(B)5.B.(I) of this rule, to be held in compliance accounts or overdraft accounts is less than or equal to

ten percent (10%) of the sum of the NOx trading program allocations for the previous control period, any banked NOx allowance may be deducted for compliance in accordance with paragraph (3)(B)4. of this rule.

(III) If the total number of banked NOx allowances determined, under part (3)(B)5.B.(I) of this rule, and held in compliance accounts or overdraft accounts exceeds ten percent (10%) of the sum of the state trading program allocations for the previous control period, any banked allowance may be deducted for compliance in accordance with paragraph (3)(B)4. of this rule, except as follows:

- (a) The director will determine the adjustment factor using Equation 4 of this rule.

Equation 4:

$$AF = \frac{0.1 \times \sum NOxALa}{\sum NOxALb}$$

where:

AL = the adjustment factor;

$\sum NOxALa$ = the sum of the statewide NOx allowance allocated for the previous control period; and

$\sum NOxALb$ = the sum of the banked NOx allowances as determined under part (3)(B)5.B.(I) of this rule on January 1 of the current year;

- (b) The director will determine the number of banked NOx allowances in the account that may be deducted for compliance in accordance with paragraph (3)(B)4. of this rule using Equation 5 of this rule. Any banked NOx allowances in excess of the product of Equation 5 may be

deducted for compliance in accordance with paragraph (3)(B)4. of this rule, except that, if such NOx allowances are used to make a deduction, two (2) such NOx allowances must be deducted for each deduction of one (1) NOx allowance required under paragraph (3)(B)4. of this rule.

Equation 5:

$$AF \times NOxALb$$

where:

AF = the adjustment factor calculated in Equation 4; and

NOxALb = the number of NOx allowances in a NOx unit's account;

(IV) Geographic flow control.

- (a) Banked NOx allowances made available for use in parts (3)(B)5.B.(II) and (3)(B)5.B.(III) of this rule may be traded from the control region for which paragraph (3)(A)1. of this rule is applicable to the control region for which paragraph (3)(A)2. of this rule is applicable on a one to one (1:1) basis.
- (b) Banked NOx allowances made available for use in parts (3)(B)5.B.(II) and (3)(B)5.B.(III) of this rule may be traded from the control region for which paragraph (3)(A)2. of this rule is applicable to the control region for which paragraph (3)(A)1. of this rule is applicable on a one and one-half to one (1.5:1) basis.

C. Early Reductions. For any affected NOx unit that reduces its NOx emission rate in the 2000, 2001 or

2002 control period, the owner or operator of the unit may request early reduction allowances, and the department will allocate ERCs by January 31 of each year to the unit in accordance with the following requirements.

- (I) Each NOx unit for which the owner or operator requests any early reduction credits under part (3)(B)5.C.(IV) of this rule shall monitor NOx emissions in accordance with section (4) of this rule for each control period for which such early reduction credits are requested. The unit's monitoring system availability shall be not less than ninety percent (90%) during the control period, and the unit must not have been found to be in violation of any applicable state or federal emissions or emissions-related requirements.
- (II) NOx emission rate and heat input under parts (3)(B)5.C.(III) through (3)(B)5.C.(V) of this rule shall be determined in accordance with section (4) of this rule.
- (III) Each NOx unit for which the owner or operator requests any early reduction credits under part (3)(B)5.C.(IV) of this rule shall reduce its NOx emission rate, for each control period for which early reduction credits are requested, to less than the applicable requirement of paragraph (3)(A)1. or (3)(A)2. of this rule.
- (IV) The NOx authorized account representative of a NOx unit that meets the requirements of parts (3)(B)5.C.(I) and (3)(B)5.C.(III) of this rule may submit to the department a request for early reduction credits for the unit based on NOx emission rate reductions made by the unit in the control period for 2000, 2001 or 2002 in accordance with part (3)(B)5.C.(III) of this rule.
 - (a) In the early reduction credit request, the NOx authorized account representative may request early

reduction credits for such control period using Equation 6 of this rule.

Equation 6:

$$\text{ERC} = \text{HIA} \times (\text{NOxERr} - \text{NOxERa}) \div 2000$$

where:

ERC = the early reduction credits accrued rounded to the nearest ton of NOx;

HIA = the actual control period heat input for each NOx unit;

NOxERr = the regulated NOx emission rate as identified in paragraph (3)(A)1. or (3)(A)2. of this rule; and

NOxERa = the actual control period emission rate for each NOx unit.

- (b) The early reduction credit request must be submitted, in a format specified by the department, by October 31 of the year in which the NOx emission rate reductions are made.
- (V) The department will allocate NOx allowances no later than January 31 to NOx units meeting the requirements of parts (3)(B)5.C.(I) and (3)(B)5.C.(III) of this rule and covered by early reduction requests meeting the requirements of subpart (3)(B)5.C.(IV)(b) of this rule.
- (VI) NOx allowances recorded under part (3)(B)5.C.(V) of this rule may be deducted for compliance under paragraph (3)(B)3. of this rule for the control periods in 2003 or 2004. Notwithstanding subparagraph (3)(B)5.A.

of this rule, the director will deduct as retired any NOx allowance that is recorded under part (3)(B)5.C.(V) of this rule and is not deducted for compliance in accordance with paragraph (3)(B)3. of this rule for the control period in 2003 or 2004.

(VII) NOx allowances recorded under part (3)(B)5.C.(V) of this rule are not treated as banked allowances in 2004 for the purposes of subparagraphs (3)(B)5.A. and (3)(B)5.B. of this rule.

(VIII) Compliance set-aside account.

- (a) The department will establish a compliance set-aside account, which will contain fifty percent (50%) of the early reduction credits that are issued in accordance with part (3)(B)5.C.(II) of this rule.
- (b) Early reduction credits will be sold from the compliance set-aside pool by the department in the order of request to NOx authorized account representatives requesting such credits.
- (c) A NOx authorized account representative may request early reduction credits from the compliance set-aside account by submitting a report containing the following on or before October 31, 2003 and 2004 for the 2003 and 2004 control periods, respectively:

- I. The owner and operator;
- II. The NOx authorized account representative;
- III. The NOx unit identification number and name;
- IV. The projected control period heat input and projected control period

emission rate;

V. The number of ERCs being requested;
and

VI. The overdraft or compliance account
number.

(d) The department shall set the market rate for early reduction credits on January 1 of each year and shall review the rate quarterly. Market rate shall be established based on the following in the order listed:

I. The average rate of exchange of NOx credits for the most recent quarter; and

II. The most recent control cost data available.

(e) Proceeds from the sale of early reduction credits will be distributed to the owner of units issued ERCs under part (3)(B)5.C.(V) of this rule by percentage of issuance.

(f) Any ERC allowances remaining in the compliance set-aside account after October 31, 2004, will be returned to the unit that generated the early reduction credits.

(IX) All ERCs will be retired on January 31, 2005.

6. Account error. The director may correct any error in any NOx Allowance Tracking System account. Within ten (10) business days of making such correction, the director will notify the NOx authorized account representative for the account. The NOx authorized account representative will then have ten (10) business days to appeal the correction if they feel the correction was made in error.

7. NOx allowance transfers. The NOx authorized account

10 CSR 10-6.350

representatives seeking the recording of a NOx allowance transfer shall submit the transfer request to the director. To be considered correctly submitted, the NOx allowance transfer shall include the following elements in a format specified by the director:

- A. The numbers identifying both the transferor and transferee accounts;
- B. A specification by serial number of each NOx allowance to be transferred; and
- C. The printed name and signature of the NOx authorized account representative of the transferor account and the date signed.

8. Department recording.

- A. Within five (5) business days of receiving a NOx allowance transfer, except as provided in subparagraph (3)(B)9.B. of this rule, the department will record a NOx allowance transfer by moving each NOx allowance from the transferor account to the transferee account as specified by the request, provided that-
 - (I) The transfer is correctly submitted under paragraph (3)(B)8. of this rule;
 - (II) The transferor account includes each NOx allowance identified by serial number in the transfer; and
 - (III) The transfer meets all other requirements of this paragraph.
- B. A NOx allowance transfer that is submitted for recording following the NOx allowance transfer deadline and that includes any NOx allowances allocated for a control period prior to or the same as the control period to which the NOx allowance transfer deadline applies will not be recorded until after completion of the process of recording of NOx allowance allocations of this rule.

10 CSR 10-6.350

- C. Where a NOx allowance transfer submitted for recording fails to meet the requirements of subparagraph (3)(B)9.A. of this rule, the department will not record such transfer.

9. Notification.

- A. Notification of recording. Within five (5) business days of recording of a NOx allowance transfer under paragraph (3)(B)8. of this rule, the department will notify each NOx authorized account representative of the transfer in writing.
- B. Notification of nonrecording. Within ten (10) business days of receipt of a NOx allowance transfer that fails to meet the requirements of paragraph (3)(B)7. of this rule, the department will notify in writing the NOx authorized account representatives of both accounts subject to the transfer of-
 - (I) A decision not to record the transfer;
and
 - (II) The reasons for such nonrecording.

- 10. Individual EGU opt-ins. An EGU that is not an affected unit under subsection (1)(A) of this rule that vents all of its emissions to a stack may qualify to become a NOx opt-in unit under this paragraph of this rule. A NOx opt-in unit will not be allowed to participate in the NOx trading program without prior approval.

- A. A NOx opt-in unit shall have a NOx authorized account representative.
- B. Request for initial NOx opt-in. In order to request to opt-in to the trading program, the NOx authorized account representative of the unit must submit to the department at any time the following:
 - (I) The projected NOx emission rate for each affected unit;
 - (II) The average of the three (3) most recent

years heat input on a monthly basis over the control period for each affected unit; and

(III)A plan detailing the methodology for compliance with paragraph (3)(B)10. of this rule.

- C. The department will review the request and respond within ninety (90) days of the date of receipt of the request.
- D. Request for opting-in to the NOx trading program must be received by the department no later than February 1 of the same year as the control period that the NOx opt-in unit requests to begin participation in the NOx trading program.
- E. The NOx opt-in units shall establish a baseline heat input and a baseline NOx emissions rate under the requirements of subsection (5)(G) of this rule. After calculating the baseline heat input and the baseline NOx emissions rate for the NOx opt-in unit, the department will notify the NOx authorized account representative of the unit of the resulting baseline.
- F. The established baseline shall be the regulated NOx emission rate for the opt-in unit. The NOx opt-in unit shall meet the same schedule as all NOx units with respect to all deadlines and schedules. The allow-ances issued to the opt-in unit under this paragraph shall be calculated using equation 7 of this rule.

Equation 7:

$$\frac{HI_{opt} \times XERO_{opt}}{2000} = NoxAL_{opt}$$

where:

HI_{opt} =the actual control period heat input for the NOx opt-in unit;

ERO_{opt} =the baseline emission rate for the NOx opt-in unit as determined under

subsection (5)(G) of this rule; and

NOxALopt =the actual NOx allowances for
the opt-in unit for the control
period (in tons).

- G. If at any time before the approval of a NOx opt-in unit, the department determines that the unit does not qualify as a NOx opt-in unit under this paragraph, the department will issue a denial of the NOx opt-in request for the unit.
- H. Withdrawal of NOx opt-in request. A NOx authorized account representative of a unit may withdraw its request to opt-in at any time prior to the approval for the NOx opt-in unit. Once the request for a NOx opt-in unit is withdrawn, a NOx authorized account representative seeking to reapply must submit a new request for a NOx opt-in unit under this subsection.
- I. Effective date. The effective date of the initial NOx opt-in shall be May 1 of the first control period starting after the approval of the NOx opt-in unit by the department. The unit shall be a NOx opt-in unit and an affected NOx unit as of the effective date of the approval and be subject to the requirements of this rule.
- J. Change in regulatory status. When a NOx opt-in unit becomes an affected unit, the NOx authorized account representative shall notify the department in writing of such change in the NOx opt-in unit's regulatory status within thirty (30) days of such change.
- K. Withdrawal from NOx trading program. A NOx opt-in unit may withdraw from the NOx trading program if it meets the following requirements:
 - (I) To withdraw from the NOx trading program, the NOx authorized account representative of a NOx opt-in unit shall submit to the department a request to withdraw effective as of a specified date prior to May 1 or after September 30. The submission shall be made

no later than ninety (90) days prior to the requested effective date of withdrawal.

- (II) Before a NOx opt-in unit may withdraw from the NOx trading program, the following conditions must be met.
 - (a) For the control period immediately before the withdrawal is to be effective, the NOx authorized account representative must submit or must have submitted to the department an annual compliance certification report.
 - (b) If the NOx opt-in unit has excess emissions for the control period immediately before the withdrawal is to be effective, the department will deduct from the NOx opt-in unit's compliance account, or the overdraft account of the affected unit where the affected unit is located, the full amount required for the control period.
- (III) A NOx opt-in unit that withdraws from the Nox trading program shall comply with all requirements under the NOx trading program concerning all years for which such NOx opt-in unit was a NOx opt-in unit, even if such requirements must be complied with after the withdrawal takes effect.
- (IV) Notification procedures shall be as follows:
 - (a) After the requirements for withdrawal under this paragraph have been met, the department will issue a notification to the NOx authorized account representative of the NOx opt-in unit of the acceptance of the withdrawal of the NOx opt-in unit as of a specified effective date that is after such requirements have been met and that is prior to May 1 or after September 30.
 - (b) If the requirements for withdrawal under

this paragraph have not been met, the department will issue a notification to the NOx authorized account representative of the NOx opt-in unit that the NOx opt-in unit's request to withdraw is denied. If the NOx opt-in unit's request to withdraw is denied, the NOx opt-in unit shall remain subject to the requirements for a NOx opt-in unit.

(V) A NOx opt-in unit shall continue to be a NOx opt-in unit until the effective date of the withdrawal.

(VI) Once a NOx opt-in unit withdraws from the Nox trading program, the Nox authorized account representative may not submit another application for the NOx opt-in unit prior to the date that is four (4) years after the date on which the withdrawal became effective.

11. Output based emissions trading of NOx. (Reserved)

(4) Reporting and Record Keeping.

(A) Reporting.

1. A compliance certification report for each affected unit shall be submitted to the department by October 31 following each control period. The report shall include:
 - A. The owner and operator;
 - B. The NOx authorized account representative;
 - C. NOx unit name, compliance and overdraft account numbers;
 - D. NOx emission rate limitation (lb/mmBtu);
 - E. Actual NOx emission rate (lb/mmBtu) for the control period;

10 CSR 10-6.350

- F. Actual heat input (mmBtu) for the control period. The unit's total heat input for the control period in each year will be determined in accordance with section (5) of this rule; and
 - G. Actual NOx mass emissions (tons) for the control period.
2. Reporting shall be based on the test methods identified in section (5) of this rule. Any unit with valid CEMS data for the control period must use that data to determine compliance with the provisions of this rule. The owner or operator for each affected unit which performs non-CEMS testing to demonstrate compliance of a unit subject to section (3) of this rule shall submit:
- A. A control period report identifying monthly fuel usage and monthly total heat input by December 31 of the same year as the control period; and
 - B. A written report of all stack tests completed after controls are effective to the department within sixty (60) days after completion of sample and data collection.

(B) Record Keeping.

1. Each owner or operator of an affected unit subject to section (3) of this rule shall maintain records of the following:
- A. Total fuel consumed during the control period;
 - B. The total heat input for each emissions unit during the control period;
 - C. Reports of all stack testing conducted to meet the requirements of this rule;
 - D. All other data collected by a CEMS necessary to convert the monitoring data to the units of the applicable emission limitation;

10 CSR 10-6.350

- E. All performance evaluations conducted in the past year;
 - F. All monitoring device calibration checks;
 - G. All monitoring system, monitoring device and performance testing measurements;
 - H. Records of adjustments and maintenance performed on monitoring systems and devices; and
 - I. A log identifying each period during which the CEMS or alternate procedure was inoperative, except for zero and span checks, and the nature of the repairs and adjustments performed to make the system operative.
2. All records must be kept on-site for a period of five (5) years and made available to the department upon request.
- (5) Test Methods and Monitoring. For units subjects to this rule, the following requirements shall apply:
- (A) Compliance shall be measured during the control period;
 - (B) All valid data shall be used for calculating NOx emissions rates;
 - (C) If a CEMS is not applicable, an alternate procedure listed in 40 CFR part 75 Appendix E shall be performed every three thousand (3,000) operating hours or every five (5) years whichever is more frequent. Identical units may use procedures identified in 40 CFR part 75.19 for purposes of testing;
 - (D) Coal-Fired Units. Any coal-affected unit subject to this rule shall install, certify, operate, maintain, and quality assure a NOx and diluent CEMS pursuant to the requirements in 40 CFR part 75;
 - (E) Non-Exempt Peaking Units. Any gas- or oil-fired peaking unit that is subject to the emission limitation or trading aspects of this rule shall:

10 CSR 10-6.350

1. Install, certify, operate, maintain, and quality assure a NOx and diluent CEMS; or
 2. Install, certify, operate, and quality assure fuel-metering equipment pursuant to 40 CFR part 75, Appendix D and shall establish a NOx-to-load curve pursuant to 40 CFR part 75, Appendix E;
- (F) Exempt Units. Any gas- or oil-fired unit that qualifies for the low-emitter exemption in paragraph (1)(B)1. or the low hours of operation exemption in paragraph (1)(B)2. shall:
1. Install, certify, operate, maintain, and quality assure a NOx and diluent CEMS;
 2. Install, certify, operate, maintain, and quality assure fuel-metering equipment pursuant to 40 CFR part 75, Appendix D and shall establish a NOx-to-load curve pursuant to 40 CFR part 75, Appendix E; or
 3. Estimate or measure NOx emissions pursuant to the requirements in 40 CFR part 75, section 75.19; and
- (G) Opt-In Units. Any unit that opts into the trading program, pursuant to paragraph (3)(B)10., shall be monitored consistent with the provisions of subsections (5)(E) and (5)(F) above. For the purpose of establishing the baseline allowance allocation, an opt-in unit shall install, certify, operate, maintain, and quality assure the monitoring device(s) and collect data for at least one (1) control season prior to submission of an opt-in application.

10 CSR 10-6.350

EPA Rulemakings

CFR: 40 C.F.R. 52.1320 (c)

FRM: 65 FR 82285 (12/28/00)

PRM: 65 FR 515649 (8/24/00)

State Submission: 11/15/00

State Final: 10 C.S.R. 10-6 (8/30/00)

APDB File: MO-155

Description: This rule establishes emission limitations for large electric generating units.

[illegible]